

Millbrook Credit Fund Diversified

Millbrook Credit Fund Diversified provides investors with the ability to invest in a diversified range of registered 1st mortgages with different security types & location, terms and LVR's. The minimum investment term is 12 months, with distributions paid monthly.
We treat your money like it is our own.

Fund Reporting & Performance

MILLBROOK CREDIT FUND DIVERSIFIED – KEY METRICS AS AT 31/12/25

Current return	6.75% p.a. (variable from 1 January)
Benchmark	Bloomberg AusBond Bank Bill Index + 1.50%
Weighted average LVR	56.50%
No. of loans invested in	66
Weighted average loan duration	13.70 months
Current Diversified fund size	\$46,841,273
APIR	MMM8312AU

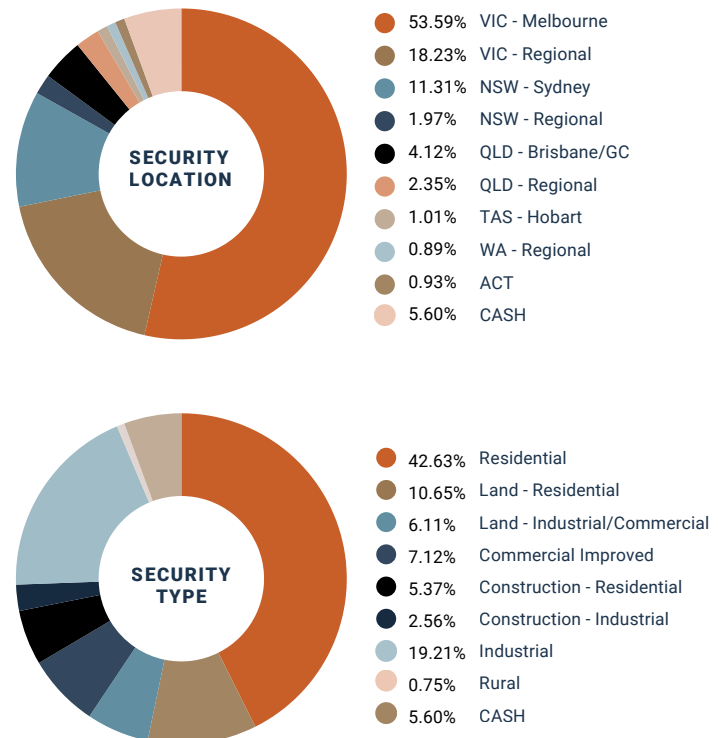
HISTORICAL PERFORMANCE	ACTUAL RETURN	BAUBIL + 1.5%*	PERFORMANCE (+/-)
3 months	1.70%	1.28%	+0.42%
1 year	7.12%	5.40%	+1.72%
3 year	7.09%	5.56%	+1.52%
5 years	6.90%	4.18%	+2.72%
Since inception	6.92%	3.82%	+3.09%

* Bloomberg Ausbond BBI + 1.5% (1 Year)

PLATFORM AVAILABILITY Netwealth, Hub24, AMP North, Australian Money Market, Mason Stevens

Portfolio Analysis

MILLBROOK CREDIT FUND DIVERSIFIED – KEY METRICS AS AT 31/12/25



Highlights

Growth

MCF Diversified FUM has increased to \$46.84m (9% increase for the quarter). Overall group FUM \$391m.

Demand

Competition for quality transactions continues to remain elevated. Demand picked up in the last quarter of 2025 and we are seeing improved deal flow, particularly out of NSW.

Types of Loans

98.20% of the loan book is currently variable.

Arrears

Arrears remained stable for the quarter and continue to be managed closely by the Credit team. Oct > 90 days 1.18% | Nov > 90 days 1.14% | Dec > 90 days 1.13%

Market Insight

Investor returns have peaked in this cycle. However, we still expect investors to be rewarded with good risk-adjusted returns. Our loan book remains well positioned to take advantage of any future rate movements given the short duration of the portfolio (average duration remains ~13 months).

Looking for further investment opportunities?

If you would like to discuss investment opportunities in any of our property credit funds, please contact us directly.



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Millbrook Perspective

Insights Interview: Michael Doble on Experience, Strategy and the Market Ahead

For this quarter's Millbrook Perspective, we spoke with Michael Doble, Millbrook's Independent Non-Executive Director, about his extensive career in property and funds management, the lessons from past market cycles, and how those insights shape Millbrook's approach today.

Q: Michael, can you briefly outline your background in funds management?

I started in the mid-1980s in property valuations with Gray and Johnson in Melbourne, before moving to Knight Frank where I qualified as a valuer and worked for seven years. A highlight was a secondment to ANZ Bank's Asset Management area managing failed loans in the early '90s – a low point in Australian property the likes of which we have never seen again.

From there I moved to ANZ Funds Management managing a listed property portfolio and later overseeing a Mortgage Fund, not dissimilar to many of today's private credit funds. I then spent 17 years at APN Funds Management, ultimately becoming CEO of Real Estate Securities and managing over \$2.5 billion across listed property strategies.

Q: What are the most important lessons you've learned from previous market cycles?

The main message is that cycles happen and you should be prepared for down markets. Investors are more sensitive to downside risk, so fund managers need to remain alert. The best managers have a strategy and don't deviate from it – style drift is a disaster for investors.

By investing in property, I've learned many investors seek low-risk income returns. Across the capital stack, targeting low-risk income delivers the best risk-adjusted outcomes. That's the attraction of property credit – debt is far more secure than equity in over-leveraged situations.

Q: How is the fund currently positioned in today's environment?

The Diversified Fund is well placed. If interest rates increase and growth slows, investors will need a greater focus on risk management. Diversification remains one of the best tools available – across asset classes, locations, loan duration and loan size. Ten loans of \$1 million is clearly lower risk than one loan of \$10 million. Using variable-rate loans allows the fund to respond to market conditions, including a rising rate environment expected in 2026.

Q: How do you approach risk management across the portfolio?

The fund has always had a strong focus on risk management. Returns of around 7.40% over the past five years reflect this. Risk management is evident in asset selection, a preference for first mortgage loans secured by lower-risk assets, borrowers with strong balance sheets and cash flow, shorter loan durations, and conservative loan-to-value ratios across a diversified loan portfolio.

Q: What is your outlook for the property and funds management sector over the next 12 months?

Property markets appear to be in good shape. Office markets have troughed, retail is performing well, industrial remains strong, and residential demand is holding firm with constrained supply underpinning values. Fund managers should be well positioned to deliver attractive returns, with investors likely to favour low-risk, income-focused strategies while economic uncertainty persists.

Q: Where do you see the biggest opportunities and challenges for investors?

Rising interest rates and slower economic growth in 2026 remain the key challenges. In that environment, equity returns may moderate. The obvious opportunity is income-oriented investments, with property credit a logical option.

Q: What's the most important message for investors today?

Private credit will continue to grow as it reaches critical mass, creating broader opportunities for investors and supporting the economy. Compared with alternatives such as A-REITs, private credit is currently offering superior income returns, making it an attractive option in the current environment.

Market Forecasts

ECONOMIC FORECASTS	2025	2026	2027
Real GDP (y/y%)	2.20	2.00	2.30
CPI Headline (y/y%)	3.80	3.20	2.50
Wage Price Index (WPI)	3.50	3.20	3.20
Unemployment (%)	4.30	4.60	4.60
RBA Cash Rate	3.60	4.10	-
\$A/US cents	0.67	0.71	-

Source: NAB Economics, as at 18/12/25

BANK	RBA CASH RATE FORECAST 2026
CBA	Rate hike in Feb
ANZ	On hold throughout 2026
WBC	On hold throughout 2026
NAB	Rate hike in Feb and May

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